



**LOCAL INITIATIVES SUPPORT CORPORATION  
HARTFORD & CONNECTICUT STATEWIDE PROGRAMS**

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**Testimony to the Finance Committee of the Connecticut General Assembly**

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*March 2, 2009*

Senator Daily, Representative Staples and members of the Committee, we would like to address you today regarding the proposed establishment of the Connecticut Emergency Economic Investment Commission and the creation of the "Connecticut Economic Recovery Fund."

My name is Marcella Hyland and I am the Program Officer for Local Initiatives Support Corporation (or LISC) in Connecticut. Since 1984, LISC has delivered financing and technical assistance to non-profit developers revitalizing neighborhoods and producing affordable housing across the state. Through our work we have supported the production of over 2,000 units of housing, and 300,000 square feet of commercial space representing over \$400 million of development in the Connecticut economy. One of our major goals is to leverage private investment and economic activity with our assistance, and we have done this successfully across the state.

This proposed Economic Recovery Fund would provide significant new resources for financing housing and other critical investments at a time when so many Connecticut residents and communities are facing financial distress. It is also a time of opportunity with available properties and lower development prices than in several years. The time is also critical because these investments will create jobs and business opportunities for construction trades, finance and real estate sectors, helping thousands of families statewide.

The creation of the new Commission would create a streamlined way of investing State funds just when time is of the essence. The establishment of a Citizen's Advisory Board that would make recommendations to the Commission will insure accountability with these funds.

We know that the demand for this development is still strong. Over the last two years, LISC along with the Connecticut Housing Coalition, has operated Housing Connections, a program to provide technical assistance to rural and suburban communities. This program is funded by the Community Investment Act, through a \$250,000 annual contract from CHFA. In the first two years, we have seen growing interest and outstanding results:

- Housing Connections has provided services to nearly one-third of the 151 eligible towns in the state.
- 4 communities have formed or strengthened local housing organizations.
- 6 communities have completed housing plans or needs assessments.
- 11 organizations have identified sites for development.
- 5 are assembling financing commitments.
- 2 developments are under construction.
- The Housing Connections portfolio includes 343 affordable homes in 22 communities with 12 organizations.
  - ★ 224 family and 119 elderly homes
  - ★ 20 homeownership and 323 rental units
  - ★ Serving an estimated 925 low and moderate income residents of Connecticut.

LISC and the Coalition have been able to produce these results with active outreach, one-on-one technical assistance, educational forums, and planning and technical assistance grants. LISC has also leveraged additional investment for housing, providing \$295,000 in grants and loans to support development in rural and suburban towns.

The creation of the Connecticut Economic Recovery Fund would provide financial resources for the continued production of housing across the State of Connecticut. The need for these funds is demonstrated by the number of towns that have asked for our help.

We ask that the committee approve funding for the Connecticut Economic Recovery Fund.

We thank you for your support, and we are happy to provide you any additional information that you may need.

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